

MEETING MINUTES SUMMARY
GOVERNOR'S MILITARY AFFAIRS COMMISSION and the
ARIZONA MILITARY AFFAIRS COMMISSION
Tuesday, April 4, 2006, at 10 a.m.
Grand Canyon Conference Room, 1700 W. Washington, Phoenix, AZ 85007

OPENING REMARKS

Co-Chair Lisa Atkins called the meeting to order at 10:06 a.m.

ROLL CALL & ADMINISTRATIVE ISSUES

Commissioners Present:

- Lisa Atkins, Co-Chair, West Valley
- Tom Finnegan, Co-Chair, Sierra Vista (by telephone)
- Thomas Browning, Brig. Gen., USAF (Ret.)
- Dr. William D. Carrell, Jr., Tucson
- Mayor James Cavanaugh, City of Goodyear
- Michael Francis, West Valley Community Action Coalition
- Mayor Tom Hessler, City of Sierra Vista
- Robert Johnston, Lt. Gen., USMC (Ret.)
- Representative John Nelson, Arizona House of Representatives
- Monsignor Richard O'Keeffe, Yuma
- Supervisor Sandie Smith, Pinal County (by telephone)
- Supervisor Lenore Stuart, Yuma County
- Priscilla Storm, Diamond Ventures in Tucson (by telephone)
- Mayor Robert Walkup, City of Tucson (by telephone)

Ex-Officio and Staff Members Present:

- Major General David P. Rataczak, Director - Arizona ARNG
- Patrick F. Chorpensing, Military Policy Advisor to the Governor
- Deb Sydenham, Arizona Department of Commerce
- Patricia Boland, Assistant Attorney General

Commissioners Absent:

- Senator Thayer Verschoor, Senate Appointee

A quorum was established and the minutes of the February 27, 2006 meeting were approved as published.

COMMISSIONERS UPDATES

Mayor Tom Hessler reported on the Pentagon Channel in his community. Ft. Huachuca will immediately start broadcasting on Channel 97 upon receipt of the proper equipment. Mayor Hessler distributed a report of the Association of Defense Communities in San Diego in March. He invited the participants to look at the website provided in the report, especially since they have very few elected officials participating in the association. The 2006 annual conference will be held in Indianapolis in July.

Mayor James Cavanaugh presented information about how to identify “soft spots” during the February meeting. The identified areas are opportunities for communities and the military to focus, and he appreciated all the support he received for his February report. Mayor Hessler will be working with him on a similar report for Ft. Huachuca. He thanked Monsignor O’Keeffe for his assistance coordinating a very successful meeting on “soft spots” with the Marine Corps Air Station and the Army Proving Ground in Yuma. Mayor Cavanaugh is putting together an assessment team of knowledgeable, fair individuals who can conduct this type of study. He asked the MAC to submit names of individuals outside the Commission who might serve on this team and report the study findings to the Commission.

Michael Francis spoke about “soft spots.” He asked Mayor Cavanaugh a question at the February meeting about the fact that there were all “yellows” around Luke AFB¹. One of the major things his organization has been working on for the past 2.5 years has been a land exchange with the Bureau of Land Management. They were unable to achieve federal legislation, since interest seems to have waned after BRAC. After spending \$1.5 million dollars, he reports that all contracts have been terminated and the exchange appears to be off the table. The only Army Corps of Engineers acquisitions he is aware of are the ammunition dump and a couple of small easement parcels in the northern and southern departure corridors. The first offers were for an easement that would interfere with effective farming; the offers were approximately \$741 per acre. They have since revised the offer price upwards, but nowhere near what the property owner would request. There are now two major “soft spots” at Luke AFB.

MILITARY INSTALLATION FUND APPLICATIONS

Co-Chair Lisa Atkins provided a brief history of the Military Installation Fund (MIF). This is the first opportunity for the Commission to recommend the disbursement of these funds. Co-Chair Atkins thanked the individual property owners and the jurisdictions for their applications and thanked the Commissioners for their hard work to promulgate the rules.

Sherri Lee, MIF Program Manager, Department of Commerce, said there is a two-year total available now in the amount of \$9,650,000. Of that amount, 80% of the fund (or \$7,720,000) can be utilized for the purchase of private property. Of that amount, 20% (or \$1,544,000) of that total may be used for jurisdictional project funding, if the jurisdiction is acquiring property as an element of the project. Within 7 days, the MAC must document its recommendations in writing.

¹ The reference is to a three-color coding system, which was part of the Soft Spot presentation provided during the February meeting by Mayor James Cavanaugh. Essentially, each issue is given a color to indicate its current status. Green indicates there are no obstacles at the time, yellow indicates caution, and red indicates a major issue that requires immediate attention.

Individual Property Acquisition Applications

Mike Francis went to the Department of Commerce to personally audit the application processing and was very impressed by how thorough the Department Commerce had scored the applications.

Mr. Francis moved that the Commission recommend funding the 8 highest scored applications from individual property owners, subject to an appraisal and negotiation by the Department of Veterans' Services. Discussion:

- Rep. Nelson asked for clarification on one application, where a street address was the only description provided. Deb Sydenham indicated that was standard for a single family residence before initiating the land acquisition process.
- Supervisor Lenore Stuart was also very impressed with Commerce's scoring and supported going forward with the approval of the 8 highest-scored applications.
- Ms. Sydenham commented that MIF funds were not sufficient to fund all applications. Interested parties could leave their applications on file with Commerce and update their applications for future funding years.
- Robert Johnston suggested that there would be value in discussing the first eight properties separately, rather than grouping them together.
- Sherrie Lee provided a brief synopsis and the scoring for each of the properties.
- Mayor James Cavanaugh asked what the State would do with the 8100 sq. ft. church included in the applications under review.
 - Mike Francis indicated that he asked the same question of Commerce when he reviewed the applications.
 - Mayor Cavanaugh asked if the property were to be sold for use which is compatible (such as a warehouse), what would happen with the funds.
 - Pat Chorpenning said that HB 2059 includes a provision allowing the Department of Veterans' Services to acquire land to preserve and enhance military installations in the state. He emphasized that any revenue from the sale of properties purchased with MIF funds might be used to replenish those funds. Patty Boland indicated that revenues may need to go into the general fund instead.
- Tom Browning asked what would happen if the appraisal came in at less than the amount requested by the applicant. Sherri Lee indicated that the price would then be negotiated with the property owner.
- Priscilla Storm asked about the costs of appraisals and other costs associated with property acquisition. Those costs are paid out of the MIF.
- Tom Browning requested that the Commission pursue legislation so that revenue that is generated from MIF property holdings could be used to replenish the MIF.

The motion passed unanimously.

Jurisdictional Project Review

The Vail High School District asked for \$535,000 for design and engineering fees to relocate the school outside the accident potential zone of Davis-Monthan AFB. Funds would be used for site analysis, site design, and building design.

Testimony and discussion:

- Principal John Strizich answered questions posed by Tom Browning and John Nelson regarding the use of funds. The School District is looking at construction financing through bonds and has obtained commitments from local concerns.
- Priscilla Storm voiced her support for Vail High School. She asked why the School Facilities Board had not been mentioned as a possible source for additional funding. Principal Strizich explained that they are a charter school and are therefore not eligible for those funds.
- Sheryl Lain-Young is a representative of the Vail business community. The charter school students receive top scores and they are very pleased with its innovative approach. They are hoping to design the new school with an emphasis on science and technology.
- Anne Gibson, President of the Vail School District Governing Board, described the need for funding and asked the Commission for support.
- Patty Boland, Assistant Attorney General, was concerned about the eligibility of school districts as applicants. She read the current ARS41-1512.01(g)2 and noted that school districts were not included. Mayor Cavanaugh asked if charter schools are public or privately owned. Because of the charter school status, however, the county may be the most appropriate recipient of MIF funds. Ms. Boland will work with Department of Commerce on the issue.

Tom Browning moved that the MAC recommend funding the project, providing funds to the eligible government entity. The motion carried unanimously.

The City of Tucson requested funding for a sound attenuation feasibility study. Testimony and discussion:

- Tom Browning asked if there were any assurances that the study would indeed be the basis for definitive actions that would support the mission of Davis-Monthan AFB.
- Rep. Nelson shared his experiences with sound attenuation studies that spanned several years (regarding the Phoenix International Airport).
- Mayor Walkup indicated that the important first step is to determine the actual noise involvement and identify alternatives to property acquisition.
- Robert Johnston also suggested that any sound study needs to be dovetailed into the Tucson International Airport efforts, which are underway now.
- Priscilla Storm said that the neighborhoods in the area have been meeting for over a year on issues of quality of life for residents living close to Tucson International Airport. She had hoped that MIF funds could be used to fund a study that would identify other types of funds available to assist those residents. Ms. Storm also wanted to see if there were a way to prioritize the homes that were most affected by noise.
- Tom Browning asked if all funding opportunities to fund the study have been exhausted.
- Mayor Walkup indicated that the City of Tucson Urban Planning Department prepared the grant and their focus was to attenuate noise rather than purchasing property.
- Ms. Storm said that attenuation plans had been estimated at \$300 per home (for insulation and replacement of windows with more sound-proof panes), but some homes would cost much more. Homeowners who depend upon evaporative

cooling must open their windows. Those homes would need to convert an evaporative cooler system to air conditioning.

- Jennifer Meyers, a Community Planner at Davis-Monthan AFB, confirmed that it is difficult to calculate costs to remediate sound. The affected homes were built over a very long period of time. There may be costs as high as \$30,000 for the homes built long before current building codes.
- Bob Johnston asked for more specificity about the study, including who would be conducting the study and how the study will be used to develop action plans.
- Ms. Storm asked if the application could be temporarily held until the deliverables of the project application are clarified.
- Mayor Walkup indicated that he will provide additional information if there is no penalty for delaying the decision of the Military Affairs Commission by a month.

Co-Chair Atkins indicated that this jurisdictional project determination will be placed on hold until additional information is received.

The City of Goodyear applied for funds to acquire conservation easements proximate to the Luke AFB Southern Departure Corridor (and within the accident potential zone and/or high noise zone). The land would continue to be used for agricultural use. The easements would be held by the City in perpetuity, held by a qualified Land Trust entity.

Testimony and discussion:

- Mayor Cavanaugh recused himself from this discussion and left the room before discussion of the project started.
- Dave Iwanski, Water Resources Manager for the City of Goodyear, explained their proposal. They approached land owners representing approximately 4000 acres and received interest from land owners representing about 1600 acres of land in the targeted area. The City of Goodyear is applying for federal cost share funding under the Federal Farmland Protection Act. The City is also pursuing funding from the Nature Conservancy and the American Farmland Trust.
- Tom Finnegan asked if the \$1.5 million in Farmer Ranchland Protection funds were earmarked for the entire state and Mr. Iwanski indicated that it was available for all eligible applicants.
- Tom Browning expressed that more definite funding specifics were needed. If the requested project amount were approved, the money would be deposited into a fund for an indeterminate amount of time. He cautioned that the Commission would essentially be taking \$500,000 off the table in hopes that the matching federal funds would be forthcoming.
- Dr. Carrell indicated that he was having difficulty visualizing the property area. He requested a map that would show its relation to Luke AFB.
- Mr. Iwanski expressed concerns about developing that type of map and discussing landowners in public forum. Rep. Nelson suggested that the Commission might go into executive session, if need be, to protect the identities of these individuals involved in negotiations.
- Bob Johnston felt it was important to support in principal the kind of initiative where the MIF funds would attract matching federal funds. While we may need additional details for this specific project, the approach used by the City of Goodyear should be encouraged.

- Co-Chair Atkins acknowledged that several of the Commissioners agreed that leveraging state dollars with other funds is highly desirable.

Co-chair Atkins tabled the issue until the Commission could be provided with answers to the questions that had been raised.

The City of Yuma requested MIF to supplement a project that is geared to divert high-volume, non-military traffic away from roadways serving the Marine Corps Air Station.

Testimony and discussion:

- Pete Erlenbach from the City of Yuma described the concerns of the community. The project will improve the security of the installation and mitigate the detrimental effects of non-military traffic.
- Mr. Erlenbach indicated that this would be a multi-year project and they may come back to the Commission for construction funding in future. The total cost of the diversion has been estimated at \$12 million.
- Co-chair Atkins asked how long the design phase would be. R. Erlenbach estimated six months. She asked if the design could potentially change the construction cost. Mr. Erlenbach did not believe it would. Co-Chair Atkins confirmed with him that the design would need to be completed before any construction could occur.
- Mr. Erlenbach said that no funds will be available for right-of-way acquisition.
- Monsignor O'Keeffe acknowledged that Amanda Aguirre, Senator from Yuma, was also in attendance today.
- Tom Browning suggested that the MAC consider recommending the funding of the design funds only. His reasoning was that the design costs are smaller and could be expended relatively rapidly (where any funds for construction would need to be held until the design has been completed).

Bob Johnston moved to approve the funding for the design phase of the project, in the amount of \$1,044,000. The motion carried unanimously.

Co-chair Atkins thanked all present and on the telephone who have participated on the Military Facilities Task Force, the MAC, and the subcommittee of the MAC to promulgate rules regarding the Military Installation Fund. Today's meeting culminated the efforts of many individuals over many months of hard work.

LETTER OF SUPPORT FOR THE COYOTE CRISIS CAMPAIGN

A draft letter of support was provided to the Commissioners in the agenda packet. A motion was made to direct both co-chairs to sign the letter of support as written. The motion passed unanimously.

LA OSA PROJECT IN PINAL COUNTY

Stuart Goodman, Principal with Goodman Schwartz Public Affairs, provided a report about the La Osa Project and its location in relation to Military Training Routes. Jeff Schneidman, an attorney working with the family who owns the property, was also

available to answer questions after the briefing. In addition to the Dept. of Defense and the Arizona National Guard, other stakeholders include:

- Tohono O'odham Nation on behalf of multiple tribal governments and communities.
- Arizona State Museum
- Army Corps of Engineers/Bureau of Land Management
- Arizona Game and Fish Department
- Pinal County Board of Supervisors and Planning and Zoning Commission

Mr. Goodman's PowerPoint© presentation ended with an assurance that there would be no development in the tactical training routes. The owners are committed to making this development work for all involved. They have proceeded slowly and cautiously over the past year to coordinate with all stakeholders.

Tom Browning asked if any parts of the property were next to Silverbell. Mr. Goodman said there was other property between Silverbell and La Osa that was owned by someone else.

Bob Johnston indicated that DoD and the National Guard do fairly exotic and extensive training in the area and wanted to be sure that nothing interfered with their training missions.

Gen. David Rataczak said that the training area is actually an international resource, and agreed that everything must be done so that proper training continues to be available to all military users. He indicated that the current landowner has been much more interested in the military's needs than the previous owners. The General indicated that the National Guard has a good relationship with the family and with Stuart Goodman.

Co-Chair Atkins asked if Supervisor Sandie Smith had anything to offer during this discussion. Supervisor Smith indicated that without any controls in place, there is an opportunity for land splits. There may also be issues with lighting in the area.

Rusty Mitchell, Luke AFB, had a meeting with the previous land owner two and a half years ago. There are profound differences between that land owner and the family who owns the land now. The current owner has been very cooperative and works out issues brought to them by from Department of Defense and the National Guard.

Legislative

Rusty Mitchell spoke on behalf of General Rand – Commander of Luke AFB. He echoed the comments made by Pat Chorpenning at the last meeting regarding eminent domain resolutions HCR 2031 and SCR 1019. Mr. Mitchell said that he was unable to speak for the other military installations throughout the state, but that the issue would have a profound potential impact on Luke AFB, Barry M. Goldwater Range (BMGR) and its Auxiliary Airfields.

HCR 2031 was narrowly defeated on a floor vote 26-29 on March 23rd. The companion resolution SCR 1019 is out of the Senate. By a 4-2 vote, SCR 1019 has already passed the only committee it was assigned in the House (Federal Mandates and Property

Rights). The approval was accompanied with an explanation that they would vote “yes” on the floor only if the impact to military facilities were adequately addressed. The last step for the resolution before going onto the ballot is a floor vote in the House.

Mr. Mitchell said that Senator Bee amended the resolution to exempt “regulatory takings” from land within High Noise and Accident Potential Zones (HNAPZ), but this doesn’t exempt all military operations (e.g., the Graduated Density Concept areas, land surrounding the Weapons Storage Area at Luke AFB, the border of the BMGR, Silver Bell WAATS training area of the Army National Guard, operational areas of Fort Huachuca, and Marine Corps Air Station - Yuma).

While Mr. Mitchell offered his interpretation of how legislation would impact Luke AFB, the Commission acknowledged that this resolution had far-reaching impact. Supervisor Lenore Stuart said that the Arizona City/County Management association had also been closely monitoring the resolution. Mayor Tom Hessler also indicated that the League of Cities and Towns is strongly opposed to the eminent domain resolution. Rep. John Nelson indicated that he was also mindful of the potential impact SCR 1019 would have on military operations here in the state of Arizona.

FUTURE MEETINGS DATES

As discussed in the February meeting, the MAC agreed to meet in May 2006 only if there were sufficient agenda items from the April meeting that required attention. The Dept. of Commerce will be working with the MAC to determine if the May meeting will be needed. As determined in the October 2005 meeting, the MAC will not call a meeting during the months of June, July, and August 2006.

CALL TO THE PUBLIC

Supervisor Lenore Stuart commended the hard work that had been done by the staff of the Department of Commerce.

The meeting was adjourned at 1:03 p.m.